

Amendment No. 1 to HB1013

Hargrove
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1091*

House Bill No. 1013

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding the following language as a new appropriately designated section:

56-7-2365.

(a) Every insured or policy holder of a group policy of accident and sickness insurance offered for sale in this state, which provides coverage for hospital or medical expenses that also provides coverage to the spouse of the insured, shall provide at least thirty (30) days prior notice of the termination of coverage to the covered spouse when a divorce, a legal separation, or other separation, between the insured and the covered spouse has occurred or has been filed for by the husband or wife or such divorce or separation has become final. The notice shall be written and shall be transmitted by certified mail to the last known address of the spouse.

(b)

(1) The notice shall advise the spouse who is to be terminated that when the divorce is final that such spouse shall not be eligible for continued coverage under the policy. The notice shall also advise the spouse of the availability of the COBRA continuation provision and of the procedures for applying for such coverage, including identifying who should be contacted to obtain such coverage. The notice shall indicate that the spouse who is to be terminated will be without health insurance coverage from the insured's policy and that the spouse must obtain coverage under COBRA continuation, or a separate source of insurance, if the spouse wishes to retain health insurance coverage.

(2) For the purposes of this subsection, "COBRA continuation provision" means any of the following:

(A) The Internal Revenue Code of 1986, § 4980B, other than subdivision (f)(1) of such section insofar as it relates to pediatric vaccines;

(B) ERISA, Part 6 of Subtitle B of Title I, other than § 609;

or

(C) The Public Health Service Act, Title XXII.

(c) As an employer, in the course of business, updates the plan summary for any group policy of accident and sickness insurance that it may offer to its employees, the employer shall include a notice of the provisions of this section in such summary.

(d) The attorney for the insured in any action for divorce shall advise the insured or policy holder of the obligation imposed by the provisions of this section.

(e) The administrative office of the courts shall develop a model notice to reflect the provisions of this section.

SECTION 2. Tennessee Code Annotated, Title 36, is amended by adding the following as a new, appropriately designated section:

Section ___. On and after January 1, 2007, before entering an order or decree for a divorce or a legal separation under this title, the court shall determine that the provisions of Section 1, if applicable, of this act have been complied with by the appropriate spouse. If the court determines that the notification process has not been followed, then the court shall consider requiring the insured or covered individual to provide a health care insurance policy for the former spouse.

SECTION 3. This act shall take effect January 1, 2007, the public welfare requiring it.